

QUICK REFERENCE TO SBA LOAN PROGRAMS

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Effective 12/17/2004

PROGRAM	AMOUNT	PERCENT OF GUARANTEE (MAX)	USE OF PROCEEDS	MATURITY	MAXIMUM INTEREST RATES	GUARANTEE & OTHER FEES	ELIGIBILITY
7(a) Loan Guarantee Program (SBA's primary loan program)	\$1,500,000* (Guarantee Amount) (Total loan cannot exceed \$2,000,000)	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	Expansion or renovation; construction of new facility; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit; inventory acquisition.	Depends on ability to repay; Generally, working capital 5-10 yrs; machinery, equipment, real estate, construction up to 25 yrs (not to exceed life of equipment).	Negotiable with Lender; Loans under 7 yrs, maximum prime 2.25%; 7 yrs or more, maximum prime + 2.75%; Under \$50,000, rates may be slightly higher.	For loans of: <u>< \$150,000*</u> - 2% of guaranteed portion. (Lender may retain .25% of gty. fee.) <u>> \$150,000</u> <u>< \$700,000</u> - 3%. <u>> \$700,000</u> <u>< \$1,000,000</u> - 3.5%. <u>> \$1,000,000</u> - 3.5% (addition .25% on portion of gty > \$1.0 million. <u>Lender's Annual Serv. Fee</u> - 0.50% of outstanding balance of SBA guaranteed portion.	Must be operated for profit; meet SBA size standards; show good character, management expertise, & commitment & show ability to repay; may not be involved in speculation or investment.
LowDoc Two-page SBA application to obtain guaranty. Quick turn-around after applicant meets lender requirements.	\$150,000 (Max. Loan Amount)	85%	Same as 7(a) except may not be used to repay certain types of existing debt.	See 7(a)	See 7(a)	See 7(a) Lender may retain 25% of the guarantee fee.	Start-ups and businesses with \$5 million or less annual sales for past 3 years, employs 100 or fewer.
CAPLines (Short-term, Revolving Lines of Credit) - Seasonal, - Contract, - Builders, - Standard Asset Based - Small Asset Based	\$2,000,000 (Guarantee Amount) >\$200,000 <\$200,000	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	Finance seasonal working capital needs, costs to perform, construction costs, advances against existing inventory & receivables; consolidation of short-term debt.	5 year maximum	prime + 2.25	See 7(a) For loans of 12 months or less guarantee fee .25%. Under standard asset-based, no restrictions on servicing fees.	Existing businesses See 7(a)

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International Trade Loans	\$1,500,000* (Guarantee Amount) (Total loan cannot exceed \$2,000,000)	75%	Working capital improvements in U.S. for producing goods or services. May not be used to repay existing debt.	25 year maximum	See 7(a)	See 7(a)	Small business engaged or preparing to engage in intr'l trade or business which has been adversely affected by competition from imports.
Export Working Capital Program Fast turnaround, may apply for pre-qualification letter	\$750,000 (Guarantee Amount)	90%	Short-term working capital loans to finance export transactions.	Matches simple transaction cycle or generally 1 year for line of credit.	No Cap	See 7(a) Guarantee fee .25%. No restrictions on servicing fee.	Small business exporters who need short-term working capital See 7(a) for other qualifications.
504 Certified Development Corp Program	\$1,500,000 (Max. Loan Amount) (meets specified job creation or community development goals) \$2.0 million (Max. Loan Amount) (meets certain public policy goals)	40% of project but not over \$1,500,000	Purchase of major fixed assets such as land, buildings, improvements, long-term equipment construction, renovation.	10 or 20 years only	Based on current market rate for 5 and 10 year treasury issues, plus an increment above Treasury rate.	Ongoing guarantee fee 0.288%	For profit businesses that do not exceed \$7 million in tangible net worth and did not have average net income over \$2.5 million for past 2 years.
MicroLoan Program	\$35,000 (Max. Loan Amount)	N/A	Purchase equipment, machinery, fixtures, leasehold improvements, finance increased receivables, working capital. May not be used to repay existing debt.	Shortest term possible. Not to exceed 6 years.	Negotiable with Intermediary.	No guarantee fee.	Same as 7(a)

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SBA Express Lender approves loan, no additional paperwork.	\$350,000. (Max. Loan Amount)	50%	Same as 7(a); limitations on real estate and construction. May be used for term loans or revolving credit.	Term loan same as 7(a) No more than 5 years on revolving line of credit.	Lenders will be allowed to charge up to 6.5% over prime for loans of \$50,000 or less and up to 4.5% over prime for loans over \$50,000.	See 7(a)	See 7(a)
Minority, Women, Veteran, or Rural Community Location Prequalification Loan Program Help to prepare application & secure loan; SBA prequalification letter. Limited Areas	\$250,000 (Max. Loan Amount)	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	See 7(a)	See 7(a)	See 7(a)	See 7(a) Minority program may use “for-profit” intermediaries. Women’s Program uses “non-profit” intermediaries only. Both may charge fees.	Must be at least 51% owned & operated by racial ethnic minority, woman, veteran, or be located in a rural community; \$5 million or less annual sales for past 3 yrs; employ 100 or fewer; focus on credit history; ability to repay & probability of success.
Community Express	\$250,000 (Max. Loan Amount)	85% loans up to \$150,000 & 75% for loans greater than \$150,000.	Loan proceeds may be used for most business purposes including start-up, expansion, equipment purchases working capital, inventory or real estate acquisitions.	Generally 5 to 10 years.	Lenders will be allowed to charge up to 4.75 over prime for loans of \$25m or < & 3.75 for loans >\$25m up to \$50m & 2.75 over prime for loans over \$50m depending on loan term.	See 7(a)	Persons who meet normal requirements for SBA loans. Also, must be located in one of Community Express’s designated areas.

*Lender Annual Service Fee 0.50% of the outstanding balance of the SBA guaranteed portion.